

REVISED ANALYSIS

Franchise Tax Board

Author: Chesbro Analyst: Jessica Matus Bill Number: AB 1428
Related Bills: See Prior Analysis Telephone: 845-6310 Original Analysis Date: March 25, 2011
Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Disaster Loss Deduction/Excess Loss Carryover/March 2011 Del Norte & Mendocino County Tsunami

SUMMARY

This bill would allow special tax treatment, called disaster loss treatment, for losses sustained as a result of the tsunami that occurred in March 2011, in Del Norte and Mendocino counties.

SUMMARY OF REVISION

The analysis of the bill as introduced March 25, 2011, incorrectly stated that the Presidential declaration included Del Norte and Mendocino counties, and as a result, both counties would be allowed disaster loss treatment. The Presidential declaration was made only for Del Norte and Santa Cruz counties. As a result of Del Norte County being included and Mendocino County being excluded in the Presidential declaration, this bill would allow special disaster loss treatment for Mendocino County. The revenue impact has been revised accordingly.

REVENUE AS PROVIDED IN ANALYSIS OF BILL AS INTRODUCED MARCH 25, 2011

There is no revenue impact because the President has declared a tsunami disaster. Existing state law automatically extends the special tax treatment of losses under Presidentially-declared disasters.

REVISED REVENUE

Estimated Revenue Impact of AB 1428 as introduced 03/25/2011 For Losses Sustained Beginning On or After March 11, 2011 Effective Immediately Upon Enactment (\$ in Dollars)		
2010-11	2011-12	2012-13
-\$500	+\$250	+\$250

This estimate is based on estimates of the losses sustained by individuals and business entities in Mendocino County only.

Board Position:

_____ S _____ NA X NP
_____ SA _____ O _____ NAR
_____ N _____ OUA

Asst. Legislative Director

Date

Patrice Gau-Johnson

05/13/11

Losses sustained in Del Norte County are excluded from this estimate because that county is included in the President's disaster declaration. Existing state law automatically extends the special tax treatment of losses under Presidentially declared disasters.

LEGISLATIVE STAFF CONTACT

Jessica Matus

Legislative Analyst, FTB

(916) 845-6310

jessica.matus@ftb.ca.gov

Patrice Gau-Johnson

Asst. Legislative Director, FTB

(916) 845-5521

patrice.gau-johnson@ftb.ca.gov